Distr.
GENERAL

IDB.23/13
5 October 2000

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Twenty-third session
Vienna, 14-16 November 2000
Item 9 of the provisional agenda

PROPOSED INTERNATIONAL CENTRE FOR SUSTAINABLE INDUSTRIAL DEVELOPMENT

Report by the Director-General

Reports on developments subsequent to the adoption by the Board of decision IDB.22/Dec.5.

1. The initiative of the Government of Slovenia to host an international centre for sustainable industrial development was brought to the attention of the Board in documents IDB.22/10 and Add.1. These documents describe the objectives, activities, structure and financing of the proposed centre. In decision IDB.22/Dec.5, the Board took note with appreciation of that initiative and requested the Director-General to conduct consultations with the parties concerned on possible future cooperation between UNIDO and the centre. The present document is submitted in compliance with that decision.

2. In the intervening period, there have been intensive discussions with the Government of Slovenia as the preparatory assistance project for the establishment of the proposed centre has drawn to a close, and the final reports for the project have been submitted.

3. At the initiative of the Slovene Government, bilateral consultations took place in the UNIDO Secretariat on 26 September 2000 with chairmen or representatives of all regional groups. UNIDO staff members participated as observers.

4. During all the meetings the Slovene officials reiterated the Government's desire to establish the centre within the framework of UNIDO. The long-term objective of the proposed centre would be to promote the idea of sustainable industrial development focusing on Central and Eastern Europe but also open to all developing countries. The Slovene officials reiterated that the proposed centre would not require any financial support from UNIDO's budget, as all administrative costs were to be covered from the Government's cash contribution to UNIDO and the operational budget from in-kind contributions from the Slovene Government and other national and associate institutions from participating countries. The Slovene officials advised that the Slovene Minister of Science and Technology was going to hold bilateral consultations with his colleagues from the Czech Republic, Croatia, Hungary, Poland and Slovakia to solicit their interest and possible co-sponsorship of the proposal to establish the centre.

5. In the course of the discussions, a majority of the representatives of the regional groups provided support for the idea of a centre on sustainable industrial

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V.00-57753 (E)

Distr.: 9 October 2000

development, although a number of questions were raised with respect to the legal status of the proposed centre, the substance of its activities and financial implications for UNIDO.

6. The representatives of the Group of 77 recalled the statement delivered by the Chairman of the Group at the twenty-second session of the Board in which two questions had been raised, namely (a) what were the long-term objectives and functions of the Centre and (b) what would be the legal, financial and personnel implications resulting from a decision to establish a centre as a subsidiary organ of UNIDO. The representatives invited Slovenia and the UNIDO Secretariat to provide a response to these two questions at a meeting of the Group of 77 to be held in mid-October 2000.

7. Representatives of all the groups indicated that the Slovene Government's position and background material would be the subject of further examination and consultations in the capitals and within their respective groups.

8. Any relevant developments will be brought to the attention of the Board in an addendum to the present document, as appropriate.

ACTION REQUIRED OF THE BOARD

9. The Board may wish to consider the information contained in the present document and provide guidance for further action.